



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JEROME HORTON, CHAIR
450 N STREET, SACRAMENTO, ROOM 121
JANUARY 16, 2014 10:00 AM**

----- Agenda -----

I. 2014 LEGISLATIVE PROPOSALS

**BUSINESS TAXES
SALES AND USE TAXES**

2014 Legislative Proposals

Set forth below are suggestions for legislation to be sponsored by the BOE in the second year of the 2013-14 Legislative Session (see attachments).

**Suggestion
Number**

[3-1](#) Amend Revenue and Taxation Code Section 6007 of, and add Revenue and Taxation Code Section 6009.2 to, the Sales and Use Tax Law to define “retail sale,” “sale at retail,” and “storage” and “use” to include any sale or purchase of counterfeit tangible personal property, as specified, regardless of whether the sale is for resale in the regular course of business.

Source: Honorable Jerome E. Horton

Revenue Impact: State and local revenues associated with counterfeit goods seizures is approximately \$1.8 million. However, persons from whom this property is seized may face significant fines and imprisonment. Accordingly, total tax collections may be considerably less.

[3-2](#) Amend Public Resources Code (PRC) Section 4629.5 to (1) allow retailers to claim a bad debt deduction for the lumber products assessment and (2) establish a threshold of annual sales of \$25,000 in qualifying lumber products, under which a retailer is not required to collect the lumber product assessment.

Source: Honorable George Runner

Revenue Impact: Approximately \$50,000 annual revenue loss from bad debt allowance and the small seller exemption.

January 16, 2014

**Suggestion
Number**

[3-3](#) Amend Revenue and Taxation Code Section 6479.3 of the Sales and Use Tax Law to require taxpayers with sales and use tax liabilities averaging \$20,000 or more per month, rather than \$10,000 or more per month, to remit their tax payments via an electronic funds transfer.

Source: Sales and Use Tax Department

Revenue Impact: Annual \$21,000 loss in interest income.

[3-4](#) Add Revenue and Taxation Code Section 6369.6 to the Sales and Use Tax Law to provide a sales and use tax exemption for terminally ill patients on purchases of medical marijuana.

Source: Honorable Jerome E. Horton

Revenue Impact: Pending.

**BUSINESS TAXES
SPECIAL TAXES AND FEES**

2014 Legislative Proposals

Set forth below are suggestions for legislation to be sponsored by the BOE in the second year of the 2013-14 Legislative Session (see attachments).

**Suggestion
Number**

[4-1](#) Add the Managed Audit Program authority to the following Special Tax and Fee programs: Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Fuel Tax Law.

Source: Property and Special Taxes Department

Revenue Impact: Annual \$277,000 net revenue gain from lost interest income offset by revenue from increased available audit hours.

II. DISCUSSION ITEM

Status of BOE-sponsored [Assembly Bill 919](#) (Williams).